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Message Text

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ORIGIN SS-25

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S E C R E T STATE 248525

EXDIS, MILITARY HANDLE AS SPECAT EXCLUSIVE

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS

TAGS: MARR, RP

SUBJECT: CONSULTATIONS ON PHILIPPINE DEFENSE RELATIONSHIP

SUMMARY: CONSULTATIONS BETWEEN TOP U.S. AND PHILIPPINE OFFICIALS IN MANILA AND NEW YORK DURING THE PERIOD SEPTEMBER 22-OCTOBER 6 DIFFERED MARKEDLY IN TONE AND SUB-
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STANCE FROM THE BASE NEGOTIATIONS IN SUSPENSE SINCE DECEMBER 1976. BOTH SIDES ARE NOW SEEKING AN AGREEMENT FOR THE BASES TO STAY. PRESIDENT MARCOS IS PERSONALLY INVOLVED AND APPROACHING THE U.S. WITH CONSIDERABLY MORE FLEXIBILITY. THE EQUALLY POSITIVE U.S. APPROACH COULD LEAD TO AGREEMENT ON THE MAJOR ISSUES IN THE DEFENSE RE-LATIONSHIP BY EARLY 1978 IF THIS GENERAL APPROACH CAN BE TRANSLATED INTO SPECIFIC UNDERSTANDINGS ON THE CRITICAL ISSUES. MARCOS HAD INDICATED THAT THE U.S. STANCES ON SOME OF THESE ISSUES PROVIDE THE BASIS FOR THEIR SUCCESS-

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FUL RESOLUTION. BOTH SIDES HAVE AGREED THAT KEY REMAIN-
ING ISSUES ARE: COOPERATION IN MUTUAL DEFENSE; THE SIZE
AND SHAPE OF COMPENSATION AND CRIMINAL JURISDICTION.
ALTHOUGH THERE WILL UNDOUBTEDLY BE DIFFICULTIES, PARTICU-
LARLY IF MAJOR FIGHTING IN THE SOUTH RESUMES, NOTHING HAS
EMERGED THUS FAR THAT WOULD PRECLUDE AGREEMENT. AMBASSA-
DOR NEWSOM WILL CONTINUE THE DISCUSSIONS UITH THE PHILIP-
PINE LEADERSHIP UPO' HIS ARRIVAL IN MANILA. IN THE

MEANTIME, THE CONSTRUCTIVE APPROACH TO THE REMOVAL OF
CURRENT IRRITANTS ADOPTED BY THE JOINT U.S./;OP TASK
FORCE IN THE THREE INITIAL MEETINGS IN MANILA IS GIVING
IMPETUS TO THIS COOPERATIVE MOVEMENT. AS A RESULT OF
CONVERSATIONS WITH PHILIPPINE DEFENSE OFFICIALS IN NEW
YORK, OTHER EARLY ACTIONS ON MUTUAL DEFENSE ARE PLANNED.

BACKGROUND

1. WHEN THE PRC MET IN APRIL NEGOTIATIONS WERE IN SUS-
PENSE FOLLOWING BROAD SPLITS ON LEVELS OF COMPENSATION
AND 25 SPECIFIC ISSUES. SUBSEQUENTLY, PRC DIRECTED
STUDIES DEVELOPED NEW U.S. APPROACHES TO COMPENSATION,
THE MUTUAL DEFENSE TREATY AND U.S. FORCE PRESENCE. IN
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THE MEANTIME MARCOS' CONCERN ABOUT THE U.S. RELATION-
SHIP, PHILIPPINE MILITARY INTEREST IN U.S. ASSISTANCE
AND A CEASE-FIRE IN THE SOUTHERN INSURGENCY CAUSED HIM
TO ATTEMPT A CLOSER DIALOGUE WITH THE U.S. THE GOP
REQUESTED IMMEDIATE BASE NEGOTIATIONS ON AUGUST 17 AND
THE U.S. RESPONDED BY SUGGESTING THAT ASSISTANT
SECRETARY HOLBROOKE GO TO MANILA TO EXPLORE THE BASIS
FOR FRUITFUL DISCUSSIONS.

TONE OF DISCUSSIONS

2. MARCOS' ADVANCE PREPARATION WITH CHARGE STULL AND
WITH HIS OWN CABINET AND HIS DIRECT INVOLVEMENT IN THE
LENGTHY MEETINGS SEPTEMBER 22-24 DEMONSTRATED THE IMPOR-
TANCE HE NOW ATTACHES TO THE U.S. RELATIONSHIP. KEY
CIVILIAN OFFICIALS INVOLVED IN THE BASES QUESTION WERE
PREPARED TO RESUME THE LITANY OF PERCEIVED U.S. ABUSES
WHICH HAD DOMINATED PREVIOUS DIALOGUES. HOWEVER THE
PREVIOUSLY PREPARED U.S. REMARKS AND SOME FRANK PRIVATE
TALK WITH MARCOS APPARENTLY CONVINCED HIM THAT A
FLEXIBLE AND REALISTIC PHILIPPINE APPROACH WAS MORE
LIKELY TO ACHIEVE THEIR OBJECTIVES. THERE WAS: PROGRESS
IN CLARIFYING ISSUES; A JOINT STATEMENT EMPHASIZING
MUTUAL RESPECT AND BENEFIT; AND ESTABLISHMENT OF A JOINT
TASK FORCE TO REMOVE IRRITANTS. SUBSEQUENT MEETINGS IN
NEW YORK DEMONSTRATED THAT THE GOP HAD STUDIED THE U.S.
REMARKS INTENTLY AND PATTERNED ITS APPROACH ACCORDINGLY.

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3. PRESIDENT MARCOS SENT MRS. MARCOS AS HIS PERSONAL EMISSARY TO MEET PRESIDENT CARTER; TO EXPLAIN THE MARCOS PHILOSOPHY AND TO ENSURE THAT HIS FOREIGN AND DEFENSE SECRETARIES CONTINUED THE POSITIVE APPROACH HE HAD BEGUN. SIGNIFICANT MEETINGS DURING THE UN GENERAL ASSEMBLY INCLUDED:

SEPTEMBER 29 - MRS. MARCOS WITH HOLBROOKE AND CONGRESSMAN
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LESTER WOLFF.

SEPTEMBER 29 - MRS. MARCOS, FONSEC ROMULO, DEFSEC ENRILE, AMBASSADOR ROMUALDEZ, SOLICITOR GEN. MENDOZA WITH VANCE, HABIB, HOLBROOKE, BLEAKLEY.

OCTOBER 5 - MRS. MARCOS WITH HOLBROOKE, ARMACOST.

OCTOBER 5 - MRS. MARCOS, ROMULO, ENRILE, MENDOZA, ROMUALDEZ WITH THE PRESIDENT, VANCE BRZEZINSKI, HOLBROOKE, ARMACOST.

OCTOBER 6 - ENRILE, MENDOZA, ROMUALDEZ, COLS. CASTRO AND SOLINA WITH HOLBROOKE, ABRAMOWITZ, ARMACOST, LT. GEN. FISH (DSAA), LT. GEN. BRASWELL (JCS), DEPUTY LEGAL ADVISOR ALDRICH AND BLEAKLEY (3 HOURS).

IN SESSIONS WITH THE VARIOUS PRINCIPALS MRS. MARCOS INDICATED THAT PRESIDENT MARCOS FACED DIFFICULT PROBLEMS REGARDING INSURGENCIES. SHE EXPLAINED HER VIEWS ABOUT HUMAN RIGHTS IN THE PHILIPPINES AND TOUCHED ON THE PRINCIPAL ISSUES IN THE DEFENSE RELATIONSHIP WHICH WERE THEN TAKEN UP BY HER COLLEAGUES. HER REMARKS MORE FULLY COMMITTED THE GOP TO THE POSITIVE APPROACH TO THE RELATIONSHIP BASED ON "MUTUAL RESPECT AND MUTUAL BENEFIT." EVEN THE CABINET MEMBERS BEGAN TO PICK UP THE THEME, DROPPING THE NEED FOR A "FIXED SUM" OF COMPENSATION FOR THE BASES AND ULTIMATELY SEEMING TO ACCEPT A DISTINCTION BETWEEN THE QUESTIONS OF SOVEREIGNTY OVER THE BASES AND CRIMINAL JURISDICTION. THE UNDERSTANDINGS REACHED IN NEW YORK AND MANILA ON THE KEY ISSUES IN THE RELATIONSHIP ARE SUMMARIZED BELOW:

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ISSUES

4. SOVEREIGNTY - ALL U.S. PRINCIPALS EMPHASIZED ACCEPTANCE OF AND RESPECT FOR PHILIPPINE SOVEREIGNTY OVER THE

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BASES AND EXPRESSED U.S. WILLINGNESS TO MANIFEST IT BY
REACHING AGREEMENT ON CONCRETE DEMONSTRATIONS OF PHILIP-
PINE SOVEREIGNTY SUCH AS PHILIPPINE FLAGS AND A PHILIP-
PINE BASE COMMANDER. MARCOS HAS REPEATEDLY STATED
PUBLICLY THAT THE GOP WOULD NOT COMPROMISE ON THE ASSER-
TION OF PHILIPPINE SOVEREIGNTY OVER THE BASES. HIS AND
OTHER GOP OFFICIALS' ACCEPTANCE OF U.S. ASSURANCES ON
THIS ISSUE MAY HAVE REMOVED A MAJOR OBSTACLE TO AGREEMENT.

5. MUTUAL DEFENSE TREATY - ALL U.S. PRINCIPALS, INCLUDING
THE PRESIDENT, REAFFIRMED U.S. ADHERENCE TO THE MDT AND

MRS. MARCOS DID NOT RENEW EARLIER DEMANDS FOR A WRITTEN
RESPONSE TO QUESTIONS ON THE SUBJECT. HOWEVER, ENRILE
WAS PARTICULARLY FORCEFUL IN ARGUING THAT THERE REMAIN
UNCERTAINTIES ABOUT THE U.S. RESPONSE UNDER THE MDT
WHICH COMPLICATE PHILIPPINE DEFENSE PLANNING. HE
EMPHASIZED THE LEGAL LIMITATIONS IMPOSED BY THE WAR POWERS
RESOLUTION. IN THE MEETINGS CULMINATING IN A DETAILED
PRESENTATION ON THE SUBJECT BY THE DEPARTMENT'S DEP. LEGAL
ADVISOR, ENRILE'S AND MENDOZA'S ARGUMENTS WERE REFUTED.
THEY NOW APPEAR TO HAVE ACCEPTED THE VIEW THAT THE
PRESIDENT CAN ACT AS COMMANDER-IN-CHIEF IN FULFILLMENT
OF THE MDT. ENRILE SHIFTED TO HIS BOTTOM LINE THAT THE
PHILIPPINES SHOULD BE SELF-RELIANT SO AS NOT TO RELY
SOLELY ON THE U.S. FOR VARIOUS CONTINGENCIES.

6. DEFENSE COOPERATION - THE GOP POINT ABOUT THE NEED FOR
GREATER DEFENSE PLANNING AND COORDINATION UNDER THE MDT
AND FOR U.S. ASSISTANCE IN MEETING PHILIPPINE EQUIPMENT
REQUIREMENTS REMAINED CENTRAL TO THEIR APPROACH TO THE
DEFENSE RELATIONSHIP AND WAS DISCUSSED AS FOLLOWS:
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(A) THOUGH VAGUE ON THE SPECIFICS, THE GOP EMPHASIZED
THE NEED FOR A COMMON INTEGRATED DEFENSE PLAN BOTH TO
DEFEND THE PHILIPPINES AND TO CLARIFY THE PHILIPPINE
CONTRIBUTION TO REGIONAL SECURITY. ACKNOWLEDGING THAT
THE MDT WAS DESIGNED TO COUNTER AGGRESSION NOT INSURGENCY,
THEY EXPRESSED DOUBTS ABOUT THEIR ABILITY TO HANDLE
CERTAIN GREY AREAS SUCH AS EXTERNAL INFILTRATION OF ARMS
IN SUPPORT OF INSURGENCIES AND VULNERABILITY TO ATTACK
"WEST OF PALAWAN." THE U.S. STATED IT WAS READY TO DIS-
CUSS GREATER COMMON PLANNING BUT ASKED FOR SPECIFICS
AND ADVISED THAT AMBASSADOR NEWSOM AND CINCPAC WOULD
COORDINATE THE U.S. EFFORTS IN THIS REGARD. ENRILE
WILL TAKE UP THIS ISSUE WITHIN THE GOP PRIOR TO NEWSOM'S
ARRIVAL TO DEVELOP PROPOSALS AND PROCEDURES BASED ON
PHILIPPINE NEEDS SO THAT DISCUSSIONS CAN BEGIN AT ONCE
UNDER THE MDT WITHOUT PREJUDICE TO OUTSTANDING ISSUES
UNDER THE BASES AGREEMENT. MAJOR QUESTIONS ABOUT
PLANNING, SUCH AS THE PROBLEM OF EXTERNAL AS OPPOSED TO

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INTERNAL CONTINGENCIES, REMAIN TO BE RESOLVED. THERE IS
TO BE ABSOLUTELY NO PUBLICITY ABOUT THESE DISCUSSIONS AT
THIS TIME.

(B) THE GOP NOTED CERTAIN DEFICIENCIES WITH REGARD TO
ITS ABILITY TO BE SELF-RELIANT AS A DEFENSE PARTNER.
ARMED INFANTRY FIGHTING VEHICLES AND 105 MM AMMUNITION
ARE NEEDED NOW BUT ARE NOT SCHEDULED FOR DELIVERY UNTIL
1980 OR LATER. THE U.S. AGREED TO REVIEW THESE ITEMS
AND REPLY WITHIN THREE WEEKS. THE GOP ALSO EMPHASIZED

THE LONGER TERM NEEDS FOR RADAR IN THE SOUTH, ALL-
WEATHER FIGHTERS AND MISSILES FOR ITS TACOMA FAST PATROL
BOATS. ACKNOWLEDGING THAT THE LIST PRESENTED DURING THE
SECRET

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1976 NEGOTIATIONS WAS A "WISH LIST" ENRILE AGREED THAT
ITS DEPARTMENT OF DEFENSE WOULD PREPARE AND SUBMIT TO
THE U.S. A NEW LIST OF EQUIPMENT NEEDS IN PRIORITY ORDER.

7. COMPENSATION - FOR THE U.S., THIS REMAINS THE
TOUGHEST ISSUE. THE EXTENT OF PHILIPPINE EXPECTATIONS
AND OUR OWN ABILITY TO RESPOND ARE STILL VERY MUCH IN
DOUBT. AT THIS STAGE THE GOP IS STATING THAT THERE IS
NO NEED FOR A DOLLAR AND CENTS FIGURE FOR COMPENSATION
FOR THE BASES IF AGREEMENT CAN BE REACHED ON A COMMON
RESPONSE TO AGGRESSION AGAINST THE PHILIPPINES "BOTH OPEN
AND VEILED." THEY HAVE DROPPED THE REQUEST FOR RENT BUT
WANT US TO PROVIDE AN UNSPECIFIED AMOUNT OF EQUIPMENT.
THE U.S. HAS CONTINUED TO EMPHASIZE THE NEED FOR REALISM
IN DEFINING NEEDS AND HAS CONSISTENTLY POINTED OUT THAT
LIMITATIONS IMPOSED BY CONGRESSIONAL REALITIES HAVE
PROBABLY GROWN MORE STRINGENT SINCE THE LAST U.S. OFFER
IN 1976. THE GOP HAS NOT DISPUTED THAT VIEWPOINT BUT
INSTEAD HAS CONCENTRATED ON ITS DEFENSE REQUIREMENTS WITH
SOME REFERENCES TO SEEKING SUPPORT FOR THE DEVELOPMENT OF
A ZONE OF ECONOMIC DEVELOPMENT IN THE TWO CITIES NEAR
THE BASES. THE LISTS OF PRIORITY NEEDS ENRILE HAS
PROMISED US WILL PROVIDE THE FIRST REAL INDICATION ABOUT
WHETHER OR NOT THE GOP IS NOW APPROACHING THIS ISSUE
REALISTICALLY.

8. JURISDICTION - TOPICS UNDER THIS HEADING ACTUALLY
RANGE FROM CUSTOMS AND TAXATION MATTERS THROUGH CONCURRENT
CRIMINAL JURISDICTION. THE QUESTION OF OFFICIAL DUTY
CERTIFICATES CAUSES THE GREATEST PROBLEM. BY LINKING THIS
QUESTION TO PHILIPPINE SOVEREIGNTY IN THE PAST THE GOP
MADE COMPROMISE IMPOSSIBLE. MARCOS' APPARENT WILLINGNESS
TO SEPARATE THESE TWO ISSUES IS AN INDICATION OF HIS
DESIRE TO REACH AGREEMENT. BY THE END OF THE NEW YORK
DISCUSSIONS NONE OF THE PHILIPPINE DELEGATION WAS CON-
TINUING TO LINK THEM. HOWEVER, THE GOP CONTINUES TO

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STRESS THE IMPORTANCE OF THE REVIEW PROCESS FOR OFFICIAL DUTY CERTIFICATES FOCUSSING ON THE MOST DIFFICULT ELEMENT -- THAT OF ULTIMATE DETERMINATION OF OFFICIAL DUTY STATUS. THEY HAVE ALTERNATELY SUGGESTED THAT THE PHILIPPINE PRESIDENT OR JUDICIAL SYSTEM REVIEW AND HAVE THE POWER TO REVERSE THE ISSUANCE OF SUCH CERTIFICATES. THIS IS UNACCEPTABLE TO THE U.S. WHICH HAS EMPHASIZED IN ALL DISCUSSIONS THAT WE CAN NOT GO BEYOND THE LIMITS OF NATO COMPARABILITY AND U.S. LAW. WE HAVE OFFERED SENIOR LEVEL REVIEW OF THE CERTIFICATES BUT THE GOP

FOCUSSED ON THE FACT THAT EVEN UNDER THIS PROCESS THE PHILIPPINES WOULD NOT HAVE THE POWER TO REVERSE THE DETERMINATION IF THERE IS A DIFFERENCE BETWEEN THE TWO GOVERNMENTS' POSITIONS. THE U.S. HAS PLEDGED THAT AMBASSADOR NEWSOM WILL HAVE NEW U.S. PROPOSALS WHEN HE ARRIVES IN MANILA AND DOD AND STATE ARE NOW WORKING ON PROPOSALS.

9. TASK FORCE - IN THE MEANTIME CURRENT IRRITANTS IN THE BASES ARRANGEMENT ARE BEING DISCUSSED IN THE U.S./ PHILIPPINE TASK FORCE. WE NOTE THAT THESE DISCUSSIONS HAVE ADOPTED THE SAME CONSTRUCTIVE APPROACH DISPLAYED IN NEW YORK THEREBY PROVIDING A FAVORABLE ATMOSPHERE FOR THE BROADER DISCUSSIONS AND DEMONSTRATING THAT PROGRESS ON AT LEAST SOME SPECIFIC PROBLEMS IS POSSIBLE IN THIS FRESH ATMOSPHERE.

10. CONCLUSION - A PROMISING START, A LONG WAY TO GO. ALL SENIOR LEVELS OF USG NOW WISH THE DISCUSSIONS TO GO FORWARD UNDER AMBASSADOR NEWSOM'S DIRECTION WITHOUT A RETURN TO THE FORMAL U.S.-RP PANELS WHICH LED TO RIGID GOP POSITIONS. WE DO NOT WISH PREMATURE

PUBLICITY TO UPSET THE SITUATION.

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S E C R E T STATE 248525

EXDIS FOR AMBASSADOR YOUNG ONLY

FOLLOWING REPEAT STATE 248525 SENT ACTION MANILA INFO DOD, JCS, CINCPAC, CINCPACFLT, CINCPACAF HICKHAM, CINCPACREPPHIL, CG 13TH AF OCT 16

QUOTE: S E C R E T STATE 248525

EXDIS, MILITARY HANDLE AS SPECAT EXCLUSIVE

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS

TAGS: MARR, RP

SUBJECT: CONSULTATIONS ON PHILIPPINE DEFENSE RELATIONSHIP

SUMMARY: CONSULTATIONS BETWEEN TOP U.S. AND PHILIPPINE OFFICIALS IN MANILA AND NEW YORK DURING THE PERIOD SEPTEMBER 22-OCTOBER 6 DIFFERED MARKEDLY IN TONE AND SUB-STANCE FROM THE BASE NEGOTIATIONS IN SUSPENSE SINCE DECEMBER 1976. BOTH SIDES ARE NOW SEEKING AN AGREEMENT FOR THE BASES TO STAY. PRESIDENT MARCOS IS PERSONALLY INVOLVED AND APPROACHING THE U.S. WITH CONSIDERABLY MORE FLEXIBILITY. THE EQUALLY POSITIVE U.S. APPROACH COULD LEAD TO AGREEMENT ON THE MAJOR ISSUES IN THE DEFENSE RE-
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LATIONSHIP BY EARLY 1978 IF THIS GENERAL APPROACH CAN BE TRANSLATED INTO SPECIFIC UNDERSTANDINGS ON THE CRITICAL ISSUES. MARCOS HAD INDICATED THAT THE U.S. STANCES ON SOME OF THESE ISSUES PROVIDE THE BASIS FOR THEIR SUCCESS-FUL RESOLUTION. BOTH SIDES HAVE AGREED THAT KEY REMAIN-ING ISSUES ARE: COOPERATION IN MUTUAL DEFENSE; THE SIZE AND SHAPE OF COMPENSATION AND CRIMINAL JURISDICTION. ALTHOUGH THERE WILL UNDOUBTEDLY BE DIFFICULTIES, PARTICU-LARLY IF MAJOR FIGHTING IN THE SOUTH RESUMES, NOTHING HAS EMERGED THUS FAR THAT WOULD PRECLUDE AGREEMENT. AMBASSA-DOR NEWSOM WILL CONTINUE THE DISCUSSIONS UITH THE PHILIP-PINE LEADERSHIP UPO' HIS ARRIVAL IN MANILA. IN THE

MEANTIME, THE CONSTRUCTIVE APPROACH TO THE REMOVAL OF CURRENT IRRITANTS ADOPTED BY THE JOINT U.S./;OP TASK FORCE IN THE THREE INITIAL MEETINGS IN MANILA IS GIVING IMPETUS TO THIS COOPERATIVE MOVEMENT. AS A RESULT OF CONVERSATIONS WITH PHILIPPINE DEFENSE OFFICIALS IN NEW

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YORK, OTHER EARLY ACTIONS ON MUTUAL DEFENSE ARE PLANNED.

BACKGROUND

1. WHEN THE PRC MET IN APRIL NEGOTIATIONS WERE IN SUSPENSE FOLLOWING BROAD SPLITS ON LEVELS OF COMPENSATION AND 25 SPECIFIC ISSUES. SUBSEQUENTLY, PRC DIRECTED STUDIES DEVELOPED NEW U.S. APPROACHES TO COMPENSATION, THE MUTUAL DEFENSE TREATY AND U.S. FORCE PRESENCE. IN THE MEANTIME MARCOS' CONCERN ABOUT THE U.S. RELATIONSHIP, PHILIPPINE MILITARY INTEREST IN U.S. ASSISTANCE AND A CEASE-FIRE IN THE SOUTHERN INSURGENCY CAUSED HIM TO ATTEMPT A CLOSER DIALOGUE WITH THE U.S. THE GOP REQUESTED IMMEDIATE BASE NEGOTIATIONS ON AUGUST 17 AND THE U.S. RESPONDED BY SUGGESTING THAT ASSISTANT

SECRETARY HOLBROOKE GO TO MANILA TO EXPLORE THE BASIS FOR FRUITFUL DISCUSSIONS.

TONE OF DISCUSSIONS

2. MARCOS' ADVANCE PREPARATION WITH CHARGE STULL AND WITH HIS OWN CABINET AND HIS DIRECT INVOLVEMENT IN THE LENGTHY MEETINGS SEPTEMBER 22-24 DEMONSTRATED THE IMPORTANCE HE NOW ATTACHES TO THE U.S. RELATIONSHIP. KEY CIVILIAN OFFICIALS INVOLVED IN THE BASES QUESTION WERE PREPARED TO RESUME THE LITANY OF PERCEIVED U.S. ABUSES WHICH HAD DOMINATED PREVIOUS DIALOGUES. HOWEVER THE PREVIOUSLY PREPARED U.S. REMARKS AND SOME FRANK PRIVATE TALK WITH MARCOS APPARENTLY CONVINCED HIM THAT A FLEXIBLE AND REALISTIC PHILIPPINE APPROACH WAS MORE LIKELY TO ACHIEVE THEIR OBJECTIVES. THERE WAS: PROGRESS IN CLARIFYING ISSUES; A JOINT STATEMENT EMPHASIZING MUTUAL RESPECT AND BENEFIT; AND ESTABLISHMENT OF A JOINT TASK FORCE TO REMOVE IRRITANTS. SUBSEQUENT MEETINGS IN NEW YORK DEMONSTRATED THAT THE GOP HAD STUDIED THE U.S. REMARKS INTENTLY AND PATTERNED ITS APPROACH ACCORDINGLY.

3. PRESIDENT MARCOS SENT MRS. MARCOS AS HIS PERSONAL EMISSARY TO MEET PRESIDENT CARTER; TO EXPLAIN THE MARCOS PHILOSOPHY AND TO ENSURE THAT HIS FOREIGN AND DEFENSE SECRETARIES CONTINUED THE POSITIVE APPROACH HE HAD BEGUN. SIGNIFICANT MEETINGS DURING THE UN GENERAL ASSEMBLY INCLUDED:

SEPTEMBER 29 - MRS. MARCOS WITH HOLBROOKE AND CONGRESSMAN LESTER WOLFF.

SEPTEMBER 29 - MRS. MARCOS, FONSEC ROMULO, DEFSEC ENRILE, AMBASSADOR ROMUALDEZ, SOLICITOR GEN. MENDOZA WITH VANCE, HABIB, HOLBROOKE, BLEAKLEY.

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OCTOBER 6 - ENRILE, MENDOZA, ROMUALDEZ, COLS. CASTRO AND SOLINA WITH HOLBROOKE, ABRAMOWITZ, ARMACOST, LT. GEN. FISH (DSAA), LT. GEN. BRASWELL (JCS), DEPUTY LEGAL ADVISOR ALDRICH AND BLEAKLEY (3 HOURS).

IN SESSIONS WITH THE VARIOUS PRINCIPALS MRS. MARCOS INDICATED THAT PRESIDENT MARCOS FACED DIFFICULT PROBLEMS REGARDING INSURGENCIES. SHE EXPLAINED HER VIEWS ABOUT HUMAN RIGHTS IN THE PHILIPPINES AND TOUCHED ON THE PRINCIPAL ISSUES IN THE DEFENSE RELATIONSHIP WHICH WERE THEN TAKEN UP BY HER COLLEAGUES. HER REMARKS MORE FULLY COMMITTED THE GOP TO THE POSITIVE APPROACH TO THE RELATIONSHIP BASED ON "MUTUAL RESPECT AND MUTUAL BENEFIT." EVEN THE CABINET MEMBERS BEGAN TO PICK UP THE THEME, DROPPING THE NEED FOR A "FIXED SUM" OF COMPENSATION FOR THE BASES AND ULTIMATELY SEEMING TO ACCEPT A DISTINCTION BETWEEN THE QUESTIONS OF SOVEREIGNTY OVER THE BASES AND CRIMINAL JURISDICTION. THE UNDERSTANDINGS REACHED IN NEW YORK AND MANILA ON THE KEY ISSUES IN THE RELATIONSHIP ARE SUMMARIZED BELOW:

ISSUES

4. SOVEREIGNTY - ALL U.S. PRINCIPALS EMPHASIZED ACCEPTANCE OF AND RESPECT FOR PHILIPPINE SOVEREIGNTY OVER THE BASES AND EXPRESSED U.S. WILLINGNESS TO MANIFEST IT BY REACHING AGREEMENT ON CONCRETE DEMONSTRATIONS OF PHILIP-

PINE SOVEREIGNTY SUCH AS PHILIPPINE FLAGS AND A PHILIPPINE BASE COMMANDER. MARCOS HAS REPEATEDLY STATED PUBLICLY THAT THE GOP WOULD NOT COMPROMISE ON THE ASSERTION OF PHILIPPINE SOVEREIGNTY OVER THE BASES. HIS AND OTHER GOP OFFICIALS' ACCEPTANCE OF U.S. ASSURANCES ON THIS ISSUE MAY HAVE REMOVED A MAJOR OBSTACLE TO AGREEMENT.

5. MUTUAL DEFENSE TREATY - ALL U.S. PRINCIPALS, INCLUDING THE PRESIDENT, REAFFIRMED U.S. ADHERENCE TO THE MDT AND

MRS. MARCOS DID NOT RENEW EARLIER DEMANDS FOR A WRITTEN RESPONSE TO QUESTIONS ON THE SUBJECT. HOWEVER, ENRILE

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WAS PARTICULARLY FORCEFUL IN ARGUING THAT THERE REMAIN UNCERTAINTIES ABOUT THE U.S. RESPONSE UNDER THE MDT WHICH COMPLICATE PHILIPPINE DEFENSE PLANNING. HE EMPHASIZED THE LEGAL LIMITATIONS IMPOSED BY THE WAR POWERS RESOLUTION. IN THE MEETINGS CULMINATING IN A DETAILED PRESENTATION ON THE SUBJECT BY THE DEPARTMENT'S DEP. LEGAL ADVISOR, ENRILE'S AND MENDOZA'S ARGUMENTS WERE REFUTED. THEY NOW APPEAR TO HAVE ACCEPTED THE VIEW THAT THE PRESIDENT CAN ACT AS COMMANDER-IN-CHIEF IN FULFILLMENT OF THE MDT. ENRILE SHIFTED TO HIS BOTTOM LINE THAT THE PHILIPPINES SHOULD BE SELF-RELIANT SO AS NOT TO RELY SOLELY ON THE U.S. FOR VARIOUS CONTINGENCIES.

6. DEFENSE COOPERATION - THE GOP POINT ABOUT THE NEED FOR GREATER DEFENSE PLANNING AND COORDINATION UNDER THE MDT AND FOR U.S. ASSISTANCE IN MEETING PHILIPPINE EQUIPMENT REQUIREMENTS REMAINED CENTRAL TO THEIR APPROACH TO THE DEFENSE RELATIONSHIP AND WAS DISCUSSED AS FOLLOWS:

(A) THOUGH VAGUE ON THE SPECIFICS, THE GOP EMPHASIZED THE NEED FOR A COMMON INTEGRATED DEFENSE PLAN BOTH TO DEFEND THE PHILIPPINES AND TO CLARIFY THE PHILIPPINE CONTRIBUTION TO REGIONAL SECURITY. ACKNOWLEDGING THAT THE MDT WAS DESIGNED TO COUNTER AGGRESSION NOT INSURGENCY,

THEY EXPRESSED DOUBTS ABOUT THEIR ABILITY TO HANDLE CERTAIN GREY AREAS SUCH AS EXTERNAL INFILTRATION OF ARMS IN SUPPORT OF INSURGENCIES AND VULNERABILITY TO ATTACK "WEST OF PALAWAN." THE U.S. STATED IT WAS READY TO DISCUSS GREATER COMMON PLANNING BUT ASKED FOR SPECIFICS AND ADVISED THAT AMBASSADOR NEWSOM AND CINCPAC WOULD COORDINATE THE U.S. EFFORTS IN THIS REGARD. ENRILE WILL TAKE UP THIS ISSUE WITHIN THE GOP PRIOR TO NEWSOM'S ARRIVAL TO DEVELOP PROPOSALS AND PROCEDURES BASED ON PHILIPPINE NEEDS SO THAT DISCUSSIONS CAN BEGIN AT ONCE UNDER THE MDT WITHOUT PREJUDICE TO OUTSTANDING ISSUES UNDER THE BASES AGREEMENT. MAJOR QUESTIONS ABOUT PLANNING, SUCH AS THE PROBLEM OF EXTERNAL AS OPPOSED TO INTERNAL CONTINGENCIES, REMAIN TO BE RESOLVED. THERE IS TO BE ABSOLUTELY NO PUBLICITY ABOUT THESE DISCUSSIONS AT THIS TIME.

(B) THE GOP NOTED CERTAIN DEFICIENCIES WITH REGARD TO ITS ABILITY TO BE SELF-RELIANT AS A DEFENSE PARTNER. ARMED INFANTRY FIGHTING VEHICLES AND 105 MM AMMUNITION ARE NEEDED NOW BUT ARE NOT SCHEDULED FOR DELIVERY UNTIL 1980 OR LATER. THE U.S. AGREED TO REVIEW THESE ITEMS AND REPLY WITHIN THREE WEEKS. THE GOP ALSO EMPHASIZED

THE LONGER TERM NEEDS FOR RADAR IN THE SOUTH, ALL-WEATHER FIGHTERS AND MISSILES FOR ITS TACOMA FAST PATROL

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BOATS. ACKNOWLEDGING THAT THE LIST PRESENTED DURING THE
1976 NEGOTIATIONS WAS A "WISH LIST" ENRILE AGREED THAT
ITS DEPARTMENT OF DEFENSE WOULD PREPARE AND SUBMIT TO
THE U.S. A NEW LIST OF EQUIPMENT NEEDS IN PRIORITY ORDER.

7. COMPENSATION - FOR THE U.S., THIS REMAINS THE
TOUGHEST ISSUE. THE EXTENT OF PHILIPPINE EXPECTATIONS
SECRET

AND OUR OWN ABILITY TO RESPOND ARE STILL VERY MUCH IN
DOUBT. AT THIS STAGE THE GOP IS STATING THAT THERE IS
NO NEED FOR A DOLLAR AND CENTS FIGURE FOR COMPENSATION
FOR THE BASES IF AGREEMENT CAN BE REACHED ON A COMMON
RESPONSE TO AGGRESSION AGAINST THE PHILIPPINES "BOTH OPEN
AND VEILED." THEY HAVE DROPPED THE REQUEST FOR RENT BUT
WANT US TO PROVIDE AN UNSPECIFIED AMOUNT OF EQUIPMENT.
THE U.S. HAS CONTINUED TO EMPHASIZE THE NEED FOR REALISM
IN DEFINING NEEDS AND HAS CONSISTENTLY POINTED OUT THAT
LIMITATIONS IMPOSED BY CONGRESSIONAL REALITIES HAVE
PROBABLY GROWN MORE STRINGENT SINCE THE LAST U.S. OFFER
IN 1976. THE GOP HAS NOT DISPUTED THAT VIEWPOINT BUT
INSTEAD HAS CONCENTRATED ON ITS DEFENSE REQUIREMENTS WITH
SOME REFERENCES TO SEEKING SUPPORT FOR THE DEVELOPMENT OF
A ZONE OF ECONOMIC DEVELOPMENT IN THE TWO CITIES NEAR
THE BASES. THE LISTS OF PRIORITY NEEDS ENRILE HAS
PROMISED US WILL PROVIDE THE FIRST REAL INDICATION ABOUT
WHETHER OR NOT THE GOP IS NOW APPROACHING THIS ISSUE
REALISTICALLY.

8. JURISDICTION - TOPICS UNDER THIS HEADING ACTUALLY
RANGE FROM CUSTOMS AND TAXATION MATTERS THROUGH CONCURRENT
CRIMINAL JURISDICTION. THE QUESTION OF OFFICIAL DUTY
CERTIFICATES CAUSES THE GREATEST PROBLEM. BY LINKING THIS
QUESTION TO PHILIPPINE SOVEREIGNTY IN THE PAST THE GOP
MADE COMPROMISE IMPOSSIBLE. MARCOS' APPARENT WILLINGNESS
TO SEPARATE THESE TWO ISSUES IS AN INDICATION OF HIS
DESIRE TO REACH AGREEMENT. BY THE END OF THE NEW YORK
DISCUSSIONS NONE OF THE PHILIPPINE DELEGATION WAS CON-
TINUING TO LINK THEM. HOWEVER, THE GOP CONTINUES TO
STRESS THE IMPORTANCE OF THE REVIEW PROCESS FOR OFFICIAL
DUTY CERTIFICATES FOCUSSING ON THE MOST DIFFICULT
ELEMENT -- THAT OF ULTIMATE DETERMINATION OF OFFICIAL
DUTY STATUS. THEY HAVE ALTERNATELY SUGGESTED THAT THE
PHILIPPINE PRESIDENT OR JUDICIAL SYSTEM REVIEW AND HAVE
THE POWER TO REVERSE THE ISSUANCE OF SUCH CERTIFICATES.
SECRET

THIS IS UNACCEPTABLE TO THE U.S. WHICH HAS EMPHASIZED
IN ALL DISCUSSIONS THAT WE CAN NOT GO BEYOND THE LIMITS
OF NATO COMPARABILITY AND U.S. LAW. WE HAVE OFFERED

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SENIOR LEVEL REVIEW OF THE CERTIFICATES BUT THE GOP

FOCUSSED ON THE FACT THAT EVEN UNDER THIS PROCESS THE PHILIPPINES WOULD NOT HAVE THE POWER TO REVERSE THE DETERMINATION IF THERE IS A DIFFERENCE BETWEEN THE TWO GOVERNMENTS' POSITIONS. THE U.S. HAS PLEDGED THAT AMBASSADOR NEWSOM WILL HAVE NEW U.S. PROPOSALS WHEN HE ARRIVES IN MANILA AND DOD AND STATE ARE NOW WORKING ON PROPOSALS.

9. TASK FORCE - IN THE MEANTIME CURRENT IRRITANTS IN THE BASES ARRANGEMENT ARE BEING DISCUSSED IN THE U.S./ PHILIPPINE TASK FORCE. WE NOTE THAT THESE DISCUSSIONS HAVE ADOPTED THE SAME CONSTRUCTIVE APPROACH DISPLAYED IN NEW YORK THEREBY PROVIDING A FAVORABLE ATMOSPHERE FOR THE BROADER DISCUSSIONS AND DEMONSTRATING THAT PROGRESS ON AT LEAST SOME SPECIFIC PROBLEMS IS POSSIBLE IN THIS FRESH ATMOSPHERE.

10. CONCLUSION - A PROMISING START, A LONG WAY TO GO. ALL SENIOR LEVELS OF USG NOW WISH THE DISCUSSIONS TO GO FORWARD UNDER AMBASSADOR NEWSOM'S DIRECTION WITHOUT A RETURN TO THE FORMAL U.S.-RP PANELS WHICH LED TO RIGID GOP POSITIONS. WE DO NOT WISH PREMATURE PUBLICITY TO UPSET THE SITUATION.

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